



Department of Justice

United States Attorney Richard S. Hartunian
Northern District of New York

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CONTACT: Richard S. Hartunian or
Thomas Spina Jr.

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www.justice.gov/usao/nyn

PHONE: (518) 431-0247

**MRI DIAGNOSTIC TESTING COMPANY, IMAGIMED LLC, AND ITS FORMER
OWNERS AND CHIEF RADIOLOGIST TO PAY \$3.57 MILLION TO RESOLVE
FALSE CLAIMS ACT ALLEGATIONS**

Performed MRI Scans Without Doctor Supervision

ALBANY, NEW YORK - United States Attorney Richard S. Hartunian announced that New York-based Imagimed LLC, the company's former owners, William B. Wolf III and Dr. Timothy J. Greenan, and the company's former chief radiologist, Dr. Steven Winter, will pay \$3.57 million to resolve allegations that they submitted to federal healthcare programs false claims for magnetic resonance imaging (MRI) services. Imagimed owns and operates fifteen MRI facilities, located primarily in New York State, under the name "Open MRI."

Allegedly, from July 1, 2001, through April 23, 2008, Imagimed, Greenan, Wolf and Winter submitted claims to Medicare, Medicaid and TRICARE for MRI scans performed with a contrast dye without the direct supervision of a qualified physician. Since a potential adverse side effect of contrast dye is anaphylactic shock, federal regulations require that a physician supervise the administration of contrast dye when it is used for an MRI. Also, allegedly, from July 1, 2005, to April 23, 2008, Imagimed, Greenan, Wolf and Winter submitted claims for services referred to Imagimed by physicians with whom Imagimed had improper financial relationships. In exchange for these referrals, Imagimed entered into sham on-call arrangements, provided pre-authorization services without charge and provided various gifts to certain referring physicians, in violation of the Stark Law and the Anti-Kickback Statute.

"The Department of Justice is committed to guarding against abuse of federal healthcare programs," said Stuart F. Delery, Assistant Attorney General for the Civil Division. "We will help protect patients' health by ensuring doctors who submit claims to federal healthcare programs follow proper safety precautions at all times."

U.S. Attorney for the Northern District of New York, Richard S. Hartunian said: "This case is an example of our commitment to using all of the remedies available, including civil actions under the False Claims Act, to ensure patient safety and combat health care fraud. Stripping away the profit motive for circumventing physician supervision requirements has both a remedial and a deterrent effect. The settlement announced today advances our critical interest in both the integrity of our health care system and the safe delivery of medical services."

The allegations resolved by the settlement were brought in a lawsuit filed under the False Claims Act's whistleblower provisions, which permit private parties to sue for false claims on behalf of the government and to share in any recovery. The whistleblower in this case, Dr. Patrick Lynch, was a local radiologist and will receive \$565,500.

This settlement illustrates the government's emphasis on combating health care fraud and marks another achievement for the Health Care Fraud Prevention and Enforcement Action Team (HEAT) initiative, which was announced in May 2009 by Attorney General Eric Holder and Health and Human Services Secretary Kathleen Sebelius. The partnership between the two departments has focused efforts to reduce and prevent Medicare and Medicaid financial fraud through enhanced cooperation. One of the most powerful tools in this effort is the False Claims Act. Since January 2009, the Justice Department has recovered a total of more than \$14.8 billion through False Claims Act cases, with more than \$10.8 billion of that amount recovered in cases involving fraud against federal health care programs.

The investigation and settlement were the result of a coordinated effort among the U.S. Attorney's Office for the Northern District of New York; the Justice Department's Civil Division, Commercial Litigation Branch and the Department of Health and Human Services' Office of Inspector General.

The case is *United States of America ex rel. Lynch v. Imagimed LLC, et al.* (N.D. N.Y.). The claims released by the settlement are allegations only, and there has been no determination of liability.

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